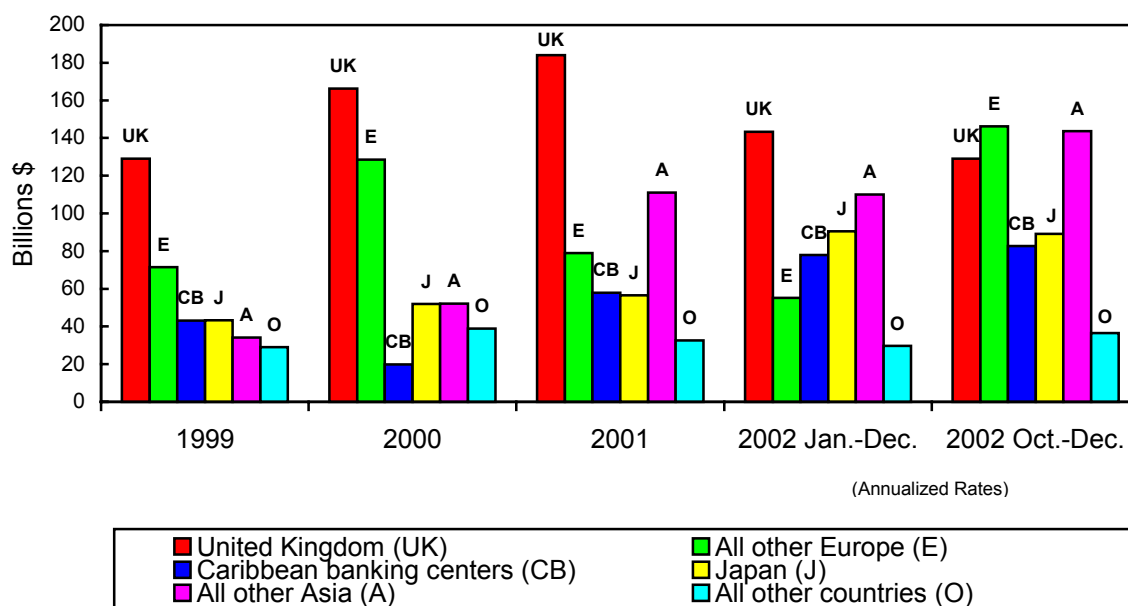


Chart CM-C -- Net Purchases of Long-Term Domestic Securities by Foreigners, Selected Countries



[In millions of dollars. Source: Office of International Financial Analysis]

Country	1999	2000	2001	2002 Jan. - Dec.	2002 Oct. - Dec.
United Kingdom.....	129,014	166,290	183,986	143,335	32,247
All other Europe.....	71,492	128,577	78,921	55,230	36,554
Caribbean banking ctrs ¹ ² ...	43,142	19,883	57,817	77,962	20,682
Japan.....	43,366	52,006	56,589	90,519	22,263
All other Asia.....	34,168	52,151	110,995	109,968	35,888
Subtotal.....	321,182	418,907	488,308	477,014	147,634
All other countries.....	28,979	38,921	32,541	29,648	9,146
Grand total.....	350,161	457,828	520,849	506,662	156,780

¹ Includes Bahamas, Bermuda, British West Indies, Cayman Islands, Netherlands Antilles, and Panama.

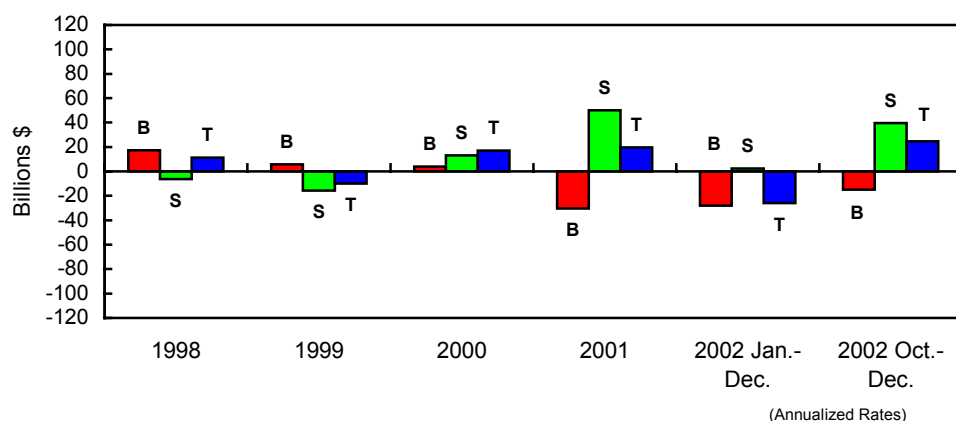
² Beginning January 2001, Cayman Islands replaced British West Indies in reporting format.

The data on this page represent foreign investors' purchases and sales of long-term U.S. securities (that is, U.S. Treasury and Government agency bonds and notes, and U.S. corporate bonds and stocks) as reported to the Treasury International Capital (TIC) reporting system. Foreign investors also acquired U.S. equities through mergers that involve stock swaps. Net foreign acquisitions of U.S. equities through stock swaps amounted to \$14 billion in 1999, \$21 billion in 2000, \$7 billion in 2001, and about \$7 billion in 2002. (Stock swaps data for the most recent quarter are Federal Reserve Board/Treasury estimates and are subject to substantial revisions.) These stock swaps are not reported under the TIC reporting system.

The data present aggregate net purchases on an annual basis for 1999 through 2002, as well as the amount for the fourth quarter of 2002. The figures show that foreigners' annual net purchases (gross purchases minus gross sales) of U.S. securities have maintained an extremely high level since 1999.

Annual net foreign purchases of U.S. securities first surpassed \$100 billion in 1993. In 2001, net acquisitions (including stock swaps) of U.S. securities totaled a record \$528 billion. In 2002, net foreign acquisitions (including stock swaps) of U.S. securities totaled a near-record \$513 billion.

Chart CM-D -- Net Purchases of Long-Term Foreign Securities
by U.S. Investors*



■ Foreign bonds (B) ■ Foreign stocks (S) ■ Total foreign securities (T)

Type	[In millions of dollars. Source: Office of International Financial Analysis]					
	1998	1999	2000	2001	2002 Jan. - Dec.	2002 Oct. - Dec.
Foreign Bonds.....	17,349	5,676	4,054	-30,502	-28,126	-3,752
Foreign Stocks.....	-6,212	-15,640	13,088	50,113	2,287	9,913
Total.....	11,137	-9,964	17,142	19,611	-25,839	6,161

* Net purchases by U.S. investors equal net sales by foreigners, or gross sales minus gross purchases of securities.

The data on this page represent U.S. investors' purchases and sales of long-term foreign securities as reported to the Treasury International Capital (TIC) reporting system. However, in the past several years, U.S. investors also have acquired a substantial amount of foreign stocks, mostly European, through mergers that involve stock swaps. Net acquisitions through stock swaps amounted to \$96 billion in 1998, \$123 billion in 1999, \$80 billion in 2000, \$45 billion in 2001, but only \$3 billion in 2002. (Stock swaps data for the most recent quarter are Federal Reserve Board/Treasury estimates and are subject to substantial revisions.) These stock swaps are not reported under the TIC reporting system.

Including the stock swaps, annual U.S. net purchases of long-term foreign securities averaged about \$100 billion from the mid-1990s through 2000, without much variation from year to year. In 2001, U.S. investors sold \$31 billion in foreign bonds, but U.S. purchases of foreign stocks held up and U.S. acquisitions of foreign securities (including stock swaps) only fell to \$64 billion. In 2002, U.S. investors again sold foreign bonds (\$28 billion), but U.S. purchases of foreign stocks (including stock swaps) fell sharply and on net U.S. investors sold \$22 billion in foreign securities.